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BEFORE THE ARIZONA CORPORATION COMM
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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION
OF SOUTHERN CALIFORNIA EDISON
COMPANY AND ITS ASSIGNEES IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES SECTIONS 40-360.03 AND
40-360.06 FOR A CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY
AUTHORIZING CONSTRUCTION OF A
500kV ALTERNATING CURRENT
TRANSMISSION LINE AND RELATED
FACILITIES IN MARICOPA AND LA PAZ
COUNTIES IN ARIZONA ORIGINATING
AT THE HARQUAHALA JUNCTION
SWITCHYARD WEST OF PHOENIX,
ARIZONA AND TERMINATING AT
THE DEVERS SUBSTATION IN
RIVERSIDE COUNTY, CALIFORNIA.

DOCKET NO. L-00000A-06-0295-00130

CASE NO. 130

REQUEST FOR REVIEW OF THE
APP&TLSC'S RECOMMENDATION
FOR THE PROJECT.

Arizona Corporation Commission
DOCKETED

APR -4 2007

DOCKETED BY *mr*

Pursuant to A.R.S. 40-360.07 Compliance by utility; commission order, Intervenor Donald G. Begalke in Case No. 130 files this Request For Review on April 3, 2007 to the Commission of the March 21, 2007 Arizona Power Plant and Transmission Line Siting Committee's Notice of Filing its Decision and Certificate Environmental Compatibility on SCE's Devers-Palo Verde No.2 500kV Transmission Line Proposal. The following reasons for the Request are Findings the Committee did not submit with the CEC:

#01: Case No. 130's Record, from the beginning, exhibits that Arizona Electric-Bill Ratepayers will very significantly have their electricity costs increased because of the DPV2 Project while receiving no product.

May 19, 2006 news of the \$230-million electric-rate increases for Years 2009-2014 to Arizona Ratepayers were published in the Arizona Republic and also by newswire services where concerns of some Commissioners were expressed. At the APP&TLSC Hearing, SCE's special witness verified the \$230,000,000.00 costs Arizona Ratepayers will incur. Then the Commission Staff's special witness testified the increases would be \$242-million to Arizonans. Mitigation of increases was introduced before the Committee, but no witness provided specific reductions, making mitigation equal "zero". Life continues after Year 2014, and increased electric rates will confront Arizona Businesses, Residents and other Ratepayers for years to come, an unknown total. Without product the DPV2-forced electric-rate increases will be "like taxes" to Arizonans. Electric-bill rate increases are based on Arizona utilities' costs for facilities, delivery etc. The Committee's recommendation for SCE's DPV2 is unreasonably wrong and unjust to Arizona Electric-Bill Ratepayers.

#02: A decision by the Commission to approve this California proposal would position the Commission into "advocating rate increases to Arizonans". That position would be contrary to the Commission's regulatory role in Arizona State Government. The Committee's recommendation for SCE's DPV2 equals advocacy of rate increases, which is outside the Committee's purview. The Commission must reject the Committee's decision because the recommendation is unreasonably wrong for the Commission and is unreasonably wrong for the Commission's relationship with Arizona Businesses, Residents and other Ratepayers.

#03: Staff's own witness at the Hearing reported that the increased demand for natural-gas generation of the California-intended electricity will significantly increase natural-gas demand in Arizona. The new demand will not benefit nongenerator Arizona Businesses nor Residents and other Arizona Natural-Gas Ratepayers. The DPV2-forced increased natural-gas rates will be "like another tax" to Arizona Natural-Gas Bill Payers. Again, the Committee's pro-DPV2 recommendation to the Commission is unreasonably wrong and unjust to Arizona Ratepayers. For Arizona users of both electricity and natural gas, DPV2-forced rate increases will

be on top of rates from normal, progressive demand in Arizona.. On Page 7 of the Committee's CEC is Finding "14.", fitting with this Request Reason/Finding #03. Planned natural-gas facilities cost money, and those costs will be passed to Arizona Natural-Gas Ratepayers.

#04: The Committee's own witness at the Hearing answered a Committee question that no electricity would likely be delivered to Arizonans by SCE's DPV2 Project. Staff's own witness informed of Western Arizona companies desiring participation in any new long-distance transmission projects in their area of the State. However, another California utility, the California Independent Systems Operator, made a decision on SCE's DPV2 Proposal, before SCE's application was filed to the California Public Utility Commission, that DPV2 would be designated "in their CAISO Grid", thus eliminating Arizona utilities/independent generators plus the CAP from participating in this new project in W. Az. Those Arizona companies already have no interconnection with SCE's DPV1 in W. Az. Arizona is the fastest-growing State of our Nation, yet again those W. Az. Businesses are denied interconnection access to the major transmission lines of the Az.-Ca. Interface Subregional Grid. Additionally, SCE's DPV2 Project would not deliver electricity from the Palo Verde Nuclear Generation Station Hub to any electrical service area of Arizona, duplicating what SCE's DPV1 already does not do for W. Arizona services and for folks/businesses in that area of our State. Since SCE's DPV2 Application to the Commission May 1, 2006, one of the many ongoing questions is: "Does Arizona need SCE's DPV2?" The evidence is "NO!!!" Combined with the issues of increased electric and natural-gas rates to Arizonans caused by SCE's DPV2 Proposal, how big a "NO!!!" did the Committee need for a recommendation to the Commission to deny SCE a CEC on the DPV2 Application? Amazingly, yet the Committee's pro-DPV2 recommendation to the Commission ignores other evidence and findings. It is reasonable for the Commission to deny a CEC to SCE for the DPV2 Project.

#05: Someone could ask about the independent, natural-gas generators in Az. and their sales to Ca? SCE's

DPV1 is not the only transmission access for sending their products to Ca.; Arizona has five 500kV lines, 3 from the PVNGS Hub, delivering power to Ca. Each has a MW transmission setting, all of which can be increased to accommodate the independent generators. The connecting Ca. lines can be upgraded also to receive the independent-generated power. At the Hearing the Committee's witness reported that SCE's DPV1 was upgraded to a setting of 1,802MW. SCE's special witness reported that only 1,034MW were sent to Ca. daily. The numbers show that SCE can transmit 498 more MW daily via DPV1 (15% of the MW is reserved for emergencies) to Ca., for independent generators. The DPV2 Draft EIS/EIR, by the CPUC and the BLM, had informed, prehearing, of the 9300 Project (Upgrade), involving 2 SRP transmission lines to be upgraded by 2008 for 1,250MW, 625MW additional for transmitting power to Ca. The remaining 2 Az.-to-Ca. lines can be upgraded for transmitting added MW to Ca. as the DPV2 Application includes a 1,200MW request. Setting all 500kV lines in the Az.-Ca. Subregional Grid at 2,250MW will very sufficiently allow independent Arizona generators to move their products to Ca. The regulatory agencies of both States and the accompanying utilities and some federal agencies must continue the cooperations to upgrade the entire Subregional Grid. Did the Committee not understand the ongoing and future lines' upgradings? Upgrading line capacities is preferable to another transmission line, and enhances reliabilities in the subregion. The Committee's recommendation for DPV2 is unreasonable in light of the alternative, lines' upgradings.

#06: Speaking of cooperation, this is a good opportunity to address the Committee's CEC Finding "1." On Page 5. Path 49 [EOR] congestion dominantly exists because California has an extremely congested transmission system, Path 26, "WOR" [west of the Colorado River] from the southern tip of Nv. westward into Ca. Arizona was not a party to planning/building those Path 26 lines whereas Ca. utilities and/or federal energy agencies were. Over decades Ca.'s Path 26 lines have become very severely congested, and that congestion backs up to be the major cause of Path 49 congestion. The CPUC has not been successful getting Ca. utilities and the federal agencies to improve their lines. Whether DPV2 is built or not, Ca. Path 26

congestion will severely continue, as determined by the U.S. Department of Energy. DPV2 is an "end-run" for California. Additionally, SCE's own witness at the Hearing showed the congestion SCE already has in the Devers Substation, Ca. area. Professionals in the utility industry across the Nation also use direct-current transmission lines to resolve congestion. When the SCE witness was asked at the Hearing about applying a "DC fix" to overcome Path 26 congestion, the witness' reaction was negative. The Committee invited the CAISO to present at the hearing. The CAISO reaction to DC lines was also negative. The Committee's special witness from the Western Electricity Coordinating Council reported that a DC line will soon travel from Page, Az. to the Pinnacle Peak Substation, Az. If DC can work in Az., why is it not workable in Ca.? Congestion is reducable and should not be a reason for SCE's DPV2 Project. AND ARIZONA SHOULD NOT BE USED TO CURE CALIFORNIA'S ELECTRICAL SYSTEM PROBLEMS!! The Committee's recommendation is unreasonable based on congestion in California, which can be reduced by alternatives..

#07: At the Hearing Staff's witness reported that Arizona's utility system was headed in a different direction than California's. Being that the witness was an engineer, the differences are not comprehended by this nonengineer. Following, the Commission's Legal Division Representative repeated the same, differences between the two States' systems. Although a very small part of the Hearing's proceedings, did the Committee not understand the Commission employees? Do technical and expert witnesses from the Commission not have an impact on the "collective mind" of the Committee? Common sense says "it should have", but the Committee's recommendation, for building the SCE's DPV2 Proposal, to the Commission is unreasonably otherwise.

#08: Federal agencies have also been assessing SCE's DPV2 Proposal. The U.S. Fish and Wildlife Service conducted an assessment of the DPV2 project being compatible or not with the Kofa National Wildlife Refuge in La Paz County, Az. The USFWS issued a Draft that the project was not compatible with Kofa. In

accordance with regulations Public Comment on the Draft ensued. Arizonans and others overwhelmingly commented that the Wildlife Refuge should be protected from the DPV2 500kV Transmission Proposal. On March 5, 2007 the U.S. Fish and Wildlife Service issued the Final Determination that SCE's DPV2 is not compatible with the Refuge - that DPV2 would "materially interfere with or detract from the fulfillment of the National Wildlife Refuge System mission and purposes of the Kofa National Wildlife Refuge". The Final USFWS Determination became part of this Case No. 130 Record on March 14, 2007, another Finding against DPV2. The Kofa is a valued recreational venue for 45,000 - 50,000 users annually for enjoyments wildlife provides, for hiking, for rock-hounding in the "designated area" in and around Crystal Hill near Quartzsite, Az., for openness and serenity away from the hustle-bustle of daily lives elsewhere and for personal reasons. As Arizona grows fastest of all States in our Nation, folks will appreciate having the spaces of Kofa. Thus, it is reasonable for the Commission to join the USFWS in protecting the Kofa Refuge by denying a CEC on SCE's DPV2 Proposal.

#09: SCE's Application is very disturbing because the State of California restricts SCE as a utility. Throughout the Hearing the Application has been questioned, yet the Committee's response has been "the silent treatment". Not even in Committee deliberations was the Application discussed. SCE needs a coapplicant for DPV2, yet SCE throughout did not name another utility "in the project". When a transmission line proposal is applied for at the Commission, coapplying utilities are known. The PVNGS-to-North Gila Substation 500kV line was applied for by three utilities - that's full-disclosure. The State of California determined preapplication that DPV2 would be a "CAISO Grid" line, including the part from the Colorado River to the Harquahala Junction Switchyard. Thus, we assume CAISO must be in-the-project and SCE's coapplicant. How hard could it have been during the Hearing for SCE to state their coapplicant to the Committee? SCE is restricted to apply for DPV2, own, build and maintain the line if granted a CEC in Az. SCE can not operate the line,

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schedule transmissions over DPV2 nor load transmissions onto the line, plus can not assess fees/tariffs etc. Can CAISO qualify as an applicant or coapplicant for a line in Arizona. Checking the Commission's eDocket, CAISO can not be found as a recognized utility doing business in Az. with the Commission. Checking Commission records for utilities, CAISO has not filed a 10-year plan as required by A.R.S. 40-360.02B. In Ca.'s system CAISO contemplated the construction of DPV2, and determined the line would be "in the CAISO Grid". Without CAISO's DPV2 work/determination, SCE could not go forward with the DPV2 Application to the CPUC. When a utility applies for a line in the State of Arizona, the Commission understands that the applicant will be the owner of the line, will build the line, will maintain the line, will operate the line, will conduct all financial matters associated to operating the line and will file all required reports to the Commission on the line. SCE can not meet the operations, financial and some reports' requirements for DPV2. CAISO can not meet the other requirements. Thus, the Commission must invalidate SCE's Application for DPV2, and also deny SCE a CEC for DPV2. SCE should not be given any special application treatment that other Arizona utilities or coapplicants do not receive from the Commission. A Commission decision, ruling SCE's Application invalid or unlawful, would be reasonable. Of special note from the Committee's CEC is that Staff "opposes the Application as filed".

#10: The record of SCE in Arizona should be reviewed in considering any application. Two parts of SCE's record were presented at the Hearing: SCE's own 1981 violation of the 1980 DPV1 CEC, and SCE's pollutions from their management of the Mohave Generating Station, Laughlin, Nv. In 1981 SCE erected some double-circuit towers in then Yuma County (today, La Paz County) without Commission approval. Double-circuit towers were not part of SCE's DPV1 Application, and were not part of the 1980 ACC Decision No. 51170 granting a CEC for DPV1. The 500kV line was not completed in 1981 when SCE went ahead anyway building the double-circuit towers. DPV1 operations did not commence til into 1982.

SCE had the responsibility to return to the Commission for an amended DPV1 CEC. SCE did not to ask the Commission for the double-circuit towers, knowing the applicable Arizona State Law(s). Was SCE's noncompliant action because the Commissioners were "horrible people" or "what?" . SCE filed the DPV2 Application May 1, 2006, and within days the Assistant Attorney General discovered the double-circuit towers of DPV1 were in violation of the DPV1 CEC. On October 17, 2006 the Commission referred the violation matter to the APP&TLSC for adjudication. Today, the adjudication is in the processes and the Commission will make a decision in the upcoming future. SCE has been in violation of the DPV1 CEC for about 25.5 years, and SCE has operated the line, and profited from the operations, for approximately 25 years. Does Arizona want business from a company in violation of a Commission decision for 25 years?

SCE managed the Mohave Plant, Nv., and their operations began spewing terrible pollutants during the late 1980s, and those pollutants affected Northwestern and Northern Arizona. Folks in Mohave County, Az. were severely affected by SCE's pollutants, from which breathing difficulties resulted. Requests to SCE did not reduce the pollution over years. The federal agencies' requests to SCE followed, and SCE's inactions allowed the polluting to continue. More years of polluting by SCE caused the filing of a court case against SCE with the decision against SCE. After more SCE inaction, the judge gave SCE options to stop the pollutings or to shut the plant down.. SCE chose the latter, and the Mohave Generating Station was shut down late 2005. For over 15 years, did SCE care about the Arizonans who had breathing difficulties and/or became ill from SCE's pollutions? The U.S. Forest Service reported the pollutants weakened forests of Northern Arizona. The U.S. National Parks Service reported the pollutions so bad that at times visitors could not see across the Grand Canyon. Polluted views of the Grand Canyon had been shown on national TV, and the terrible images SCE created affected Arizona Tourism. Does Arizona want to do business with a company with a record of polluting our northwestern Citizens, our countryside, our forests and the Grand Canyon, plus affecting our tourism industry? It is reasonable for the Commission to consider SCE's record

along with other findings in denying a CEC for DPV2.

#11: On Page 5 of the Committee's CEC are Findings of Fact to be addressed. Please, refer to Reason/- Finding #06, which explains why the Committee's Finding "1." is unreasonable.

#12: Please, refer to Reason/Finding #05 which refutes the Committee's Finding "2.".

#13: Refer to Reasons/Findings #01 and #03, the Hearing evidences of how much more ratepaying Arizona Citizens, Businesses and Organizations will have pay in increased electric bills and natural-gas bills. The Committee's Finding "3." is unreasonably void of consideration for Arizonans.

#14: The Committee's Finding "4." has a "may" value, an unknown. In the Az.-Ca. Subregional Grid, a DPV2 duplicates DPV1. Reliability in the subregion is suspect, and is dominated by "only east-west transmission lines". The subregional grid's reliability would be enhanced by a north-south transmission line, from which emergency power could be transmitted to reduce power outages' times. It is unreasonable for the Committee to fail recognizing the weakness(es) and an enhancement of the Subregional Grid.

#15: Is the Committee's Finding "5." informing that power pooling can not increase now nor without DPV2?

#16: The Committee's Finding "6." would be fine if Arizona had a need for SCE's DPV2.

#17: Same as "6." - if there was an Arizona need for SCE's DPV2, Committee's "7." Could be considered.

#18: The Committee's Finding "8." is another "may" item, an unknown with a value of zero.

#19: Regarding the Committee's Finding "9.", generation investment, Arizona has been harmed because our State now has too many natural-gas generators. The Committee recommended 27 from 28 applications while the Commission issued CECs for 26 of the 27. Only 19 of the 26 generators are operating now. Of those not operating, owners have considered increased costs and/or other factors in deciding not to build additional natural-gas generators here. Investment firms assess real factors, "nonconstructions", in determining whether to invest in a State. If the investment climate changes, DPV2 would not be a reason, and it is unreasonable for the Committee to not recognize that fact.

#20: On Finding "10." by the Committee, see Reason/Finding #05, progress can occur without DPV2.

#21: The Committee's Finding "11." does not inform that the existing renewable resources are currently in California. Such resources in Arizona need developing, in compliance with the Commission's new standard policy for renewable energies. Because of the cost of renewables in Ca., will any Arizona utility access that expensive energy, unless an emergency?

#22: "Complements" in the Finding "12." is not explained by the Committee. Except for the last three words of this Finding, the sentence quotes SCE's Arizona Counsel at the Hearing and/or a SCE Employee, but no "what complements means?" was presented. This Finding "12." from the Committee is another unknown, and it is unreasonable to apply an unknown to a recommendation for a CEC.

#23: DPV1 exists, and at the Harquahala Junction Switchyard interconnection can provide the same enhancement without the need for DPV2, equaling the Committee's Finding "13."

#24: Please, see Reason/Finding #03 with respect to the Committee's Finding "14".

#25: Regarding Finding "15." is the Committee allowing CAISO to dictate what the futures of our Arizona utilities will be? This Finding is unreasonable. Do Arizonans want California's utility system? The Committee presents no evidence to that question.

#26: On the Committee's Finding "16", DPV2 is not needed to reduce emissions in WECC's region.

#27: The Committee's Finding "17" is correct, but Arizona may confront the same NOx emission's increases and water-usage increases without DPV2.

#28: The Committee's Finding "18" is a California Energy Commission report, not recalled as being part of the Case No. 130 Record.

#29: The Committee's Finding "19" is Staff's position on the SCE Application, and is accurate except for the "or recommend" in the 3rd Sentence should read "nor recommend". The Staff is opposed to SCE's DPV2 Application.


#30: Alternatives to DPV2 are available, and the Committee's "20." Finding is accurate.

#31: On Finding "21." the Committee's statement does not include the negative-impacting rates that the DPV2 Proposal will cost Arizonans. See Reasons/Findings #01 and #03 of this Review Request.

#32: Finding "22." by the Committee is unsatisfactory for an unneeded project in Arizona.

#33: The Committee's "23." Finding is also unsatisfactory for an unneeded project in Arizona.

All Committee Members endured a very extended Hearing, resulting in a majority decision for SCE's Application. I file this Request For Review to the Commission because of Reasons and other Findings demonstrating that the Committee's recommendation is unreasonable. I respectfully request the Commission to decide against the Committee's recommendation, and to decide that the Southern California Edison Company be denied a Certificate of Environmental Compatibility on the Devers - Palo Verde No.2 500kV Transmission Line Application.

Donald G. Begalke, signed 
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April 3, 2007

Original(s) hand-delivered to the Commissioners
Copy hand-delivered to APP&TLSC Chairman Woodall's Office
remaining copies hand-delivered to Dock Control.

The original (5) copies, each signed, were hand-delivered to and filed at the Commissioners' Division,

and

the copy to the Chairman of the APP&TLSC was hand-delivered to the Attorney General's Office.

Thirteen copies were delivered to:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the forgoing mailed to all counsel and parties of record
this 3rd day of April, 2007

There are no contents of the Request For Review confidential.